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PROGRAMME BUDGET FOR THE BIENNIUM 1990-1991

International Computing Centre: 1991 budget estimates

Fourth Report of the Advisory Committee on Administrative and Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions has considered the Secretary-General's report on the budget estimates of the International Computing Centre (A/C.5/45/9). Prior to its consideration of this item the Committee met with the Director of the Centre who provided additional information, including his 1989 annual report and interim report for 1990.

2. The total ICC budget estimates for 1991, which are denominated in Swiss francs, amount to SF 16,930,000. This compares with a 1990 approved estimate of SF 16,215,000.

3. According to paragraph 6 of the Secretary-General's report, the total estimates in respect of the share of the United Nations for the use of ICC in 1990-1991 amount to $4,952,700 at an exchange rate of SF 1.61 to the United States dollar, in excess of the current appropriation of $4,289,700 under section 28D of the 1990-1991 programme budget. Upon inquiry, the Committee was informed that in view of the recent further depreciation of the United States dollar against the Swiss franc, the exchange rate for 1990 will average SF 1.40 and for 1991 be estimated at SF 1.30; this would raise the estimate for the share of the United Nations to $5,125,500. However, as indicated in paragraph 6 of the Secretary-General's report, "based on experience, it is expected that actual expenditures for the biennium might show a significant decrease against projected funding estimates. Any adjustments required at the end of the biennium would be reflected in the second performance report on the programme budget for the 1990-1991 biennium." On this basis, the Committee has no objection to the 1991 estimates for ICC and the related share for the United Nations.

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4. The discussion the Advisory Committee held with the new Director of the Centre revealed a number of institutional problems which the Committee believes should be brought to the attention of the General Assembly. For example, the Committee was informed that in September 1990 over one thousand requests for services by participants were pending, some dating back to 1982. The Committee expressed serious concern about this state of affairs.

5. The Advisory Committee was also informed that the vacancy rate at ICC remains at over 40 per cent; 6 out of 15 Professional posts and 12 out of 28 General Service posts are vacant despite the increasing demand for services and the urgent need to respond more quickly to requests of participants. The Centre was therefore dependent on few experienced key staff working on advanced technology in a difficult working environment which is seriously hampering its effective functioning.

6. In view of the increasing demand of the participating agencies and the urgent need to provide the participants with universal and standard communication links to other networks, users and databases in a more effective manner, the Advisory Committee calls upon the Centre to expedite the recruitment of qualified staff to fill all vacant posts. In this connection, the Committee was informed that the Centre is now carrying out a major reorganization and that its structure and operation are being streamlined to respond adequately to the needs of the participants in developing more effective co-ordination in data-processing and assisting them to perform their computing work more efficiently. The Committee believes that the recruitment of qualified staff will also enable the Centre to implement the restructuring of its network services branch by separating the programming functions from the operational activities. The Committee trusts that the Centre will be fully staffed upon completion of its reorganization to respond quickly to the need of its participants.

7. In another area of concern, the Advisory Committee was informed that ICC is facing continued operational difficulties at the premises of the World Health Organization. The Committee trusts that appropriate arrangements will be made to solve these difficulties.

8. The Advisory Committee was informed about a serious breach in security at the Centre this year. The Committee considers that a highly reliable and secure operations environment is essential to provide proper and effective communications support to participants and trusts that the reorganization of the Centre, as indicated above, will improve the situation.

9. The Advisory Committee was informed that a Working Group has been established to study the objectives of the Centre and the role of the Management Committee. The Advisory Committee understands that the Working Group will meet shortly to examine whether the objectives and roles of the Centre and the Management Committee adequately meet the provisions of the ICC charter with due regard to the divergent interests of the participants. The Advisory Committee welcomes this review and requests the Centre to provide the Committee with relevant information on further developments.

10. The Advisory Committee would like to point out that the Secretary-General's report on the 1991 ICC budget estimates does not contain any information with regard to the present administrative and operational status of the Centre and its current reorganization nor does it contain any information with regard to current or proposed staffing levels of ICC, including the proposed reclassification of posts. This information was made available to the Committee in separate documentation provided by the Director of the Centre. However, in future the Secretary-General's report to the General Assembly should include relevant information on the administrative and operational status of ICC as well as staffing information.

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PROGRAMME BUDGET FOR THE BIENNIUM 1990-1991

THE SITUATION IN AFGHANISTAN AND ITS IMPLICATIONS FOR INTERNATIONAL PEACE AND SECURITY

Programme budget implications of draft resolution A/45/L.3

Fifth report of the Advisory Committee on Administrative and Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions has considered the statement of the Secretary-General (A/C.5/45/25 and Corr.1), submitted in accordance with rule 153 of the rules of procedure of the General Assembly, on the programme budget implications of draft resolution A/45/L.3, relating to the situation in Afghanistan and its implications for international peace and security.

2. On the basis of assumptions outlined in paragraphs 4 to 16 of the statement, the Secretary-General estimates that an additional non-recurrent appropriation of $6,742,100 would be required under section 1 of the programme budget for the biennium 1990-1991, with an additional appropriation of $379,200 under section 31 (Staff assessment), which would be offset by the same amount under income section 1 (Income from staff assessment).

3. The requirements include the provision for continuation through 1991 of the 33 posts originally authorized for 1990 (1 ASG, 1 D-1, 3 P-5, 1 P-4, 6 General Service (other level), 8 Field Service and 13 Local level). Additionally, the 25 posts comprising 1 General Service (other level), 3 Field Service and 21 Local level posts, which were added from 15 March 1990 with the concurrence of the Advisory Committee, would also continue through 1991.

4. As indicated in the statement of programme budget implications, it is proposed to provide five additional temporary posts (2 P-4 and 3 Local level) in 1991. Notwithstanding the reasons given in the statement of programme budget implications, and given that there are at present a total of 58 posts in addition to the 10 military advisor posts, the Advisory Committee questions the need for the proposed additional five posts.

5. The Committee recalls that with the cessation of the arrangements for the United Nations Good Offices Mission in Afganistan and Pakistan (UNGOMAP), the Office of the Secretary-General in Afghanistan and Pakistan (OSGAP) was established in order to intensify the Secretary-General's efforts for a comprehensive political settlement. At the time of the establishment of the Office of the Secretary-General in Afghanistan and Pakistan, the Secretary-General had requested the host Governments to continue to bear the local operating cost of the Office, similar to the undertaking they had made for UNGOMAP. During its consideration of the subject in May 1990, the Advisory Committee was informed by the representatives of the Secretary-General that the host Governments had not provided the same support for OSGAP as had been provided for UNGOMAP. The Committee trusts that pursuant to the Secretary-General's further negotiations with the Governments concerned, support in the form of local staff, including security staff, vehicles and premises for OSGAP will be forthcoming.

6. The Committee believes that considerable savings could be realized in items of expenditure such as the rental of aircraft as proposed in table 2 of the statement. The Committee therefore recommends maximum economy in the use and type of aircraft.

7. The Advisory Committee recalls that in its letter of 18 May 1990 to the Secretary-General the Committee had stated that any future requests for the financing of OSGAP should include a clear identification of the objectives of the mission and should provide justification as to how the requested resources would be utilized to achieve those objectives. The Committee is still not satisfied that the proposals in the Secretary-General's statement show a clear relationship between the objectives to be achieved and the resources required to achieve them.

8. On the basis of the considerations mentioned above, the Advisory Committee recommends the reduction of the Secretary-General's estimate from $6,742,100 to $6,150,000 for 1991. Accordingly, the Committee recommends that the Fifth Committee inform the General Assembly that, should it adopt the draft resolution contained in document A/45/L.3, there will be need to appropriate an additional amount of $6,150,000 under section 1 of the programme budget for 1990-1991; furthermore these additional requirements should be provided without recourse to the contingency fund. In addition, there would be need to appropriate an amount of $336,100 under section 31 (Staff assessment) to be offset by the same amount under section 1 (Income from staff assessment).

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PROGRAMME BUDGET FOR THE BIENNIUM 1990-1991

REVIEW OF THE IMPLEMENTATION OF THE RECOMMENDATIONS AND DECISIONS ADOPTED BY THE GENERAL ASSEMBLY AT ITS TENTH SPECIAL SESSION

Advisory Board on Disarmament Matters

United Nations Institute for Disarmament Research: request for subvention to the Institute for 1991

Sixth report of the Advisory Committee on Administrative and Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions, in accordance with article VIII of the Statute of the United Nations Institute for Disarmament Research (UNIDIR), has considered the recommendation of the Board of Trustees of UNIDIR for a subvention towards meeting the costs of the Director and the staff of the Institute. The recommendation is contained in a note by the Secretary-General (A/C.5/45/6).

2. As indicated in paragraph 2 of the document, the General Assembly, at its forty-fourth session, approved an appropriation of $440,000 under section 2B of the programme budget for 1990-1991, Department of Disarmament Affairs, as a subvention to UNIDIR from the regular budget for 1990-1991. The Committee further notes that an amount of $220,000 has been earmarked for 1990, and $220,000 for 1991. In accordance with the Committee's observations that a formal request for a subvention for 1991 would have to be made to the General Assembly, notwithstanding the inclusion of that amount in the programme budget for 1990-1991, the Board of Trustees of the Institute has recommended a subvention from the regular budget amounting to $220,000 for 1991.

3. As indicated in paragraph 5 of the Secretary-General's note, "in the report of the Advisory Board on Disarmament Matters in its capacity as Board of Trustees of UNIDIR (A/45/392, annex II), the Board 'noted with appreciation the vigorous

efforts of the Director to encourage further voluntary contributions' on the one hand, but 'emphasized the importance of continuing in the future the annual subvention from the regular budget of the United Nations and the need to maintain the other support arrangements at their current level' on the other hand". The Secretary-General concurred with the observations made by the Board, on the understanding that "every effort will continue to be made by UNIDIR to encourage voluntary contributions towards defraying administrative costs of the Institute and eventually alleviating the need for a subvention from the United Nations".

4. The Committee shares the concern of both the Director and the Board of the Institute about the serious financial situation of UNIDIR, requiring a continued subvention from the regular budget. The Committee stresses the need for eventual self-sufficiency of the Institute.

5. The Committee notes from paragraph 4 of the above-mentioned note that UNIDIR continues to apply the rate of 5 per cent for administrative and programme support costs to reimburse the United Nations for the financial and personnel services provided by the United Nations Office at Geneva to the Institute. Additional information supplied to the Advisory Committee on programme support costs of the Institute indicates that since 1984 the rate of reimbursement has been reduced from 13 per cent to 5 per cent and that the cost of miscellaneous services to UNIDIR, such as rent, supplies and communications have been absorbed by the United Nations in view of the financial situation of the Institute; according to information supplied to the Advisory Committee, the cost of such miscellaneous services will amount to $148,800 in 1990.

6. The Committee notes that most contributions to UNIDIR continue to be tied to specific projects, despite the efforts by the Director to encourage supplementary contributions to defray the administrative costs of the Institute. Under the circumstances, the Committee recommends that each time an earmarked contribution is received, a fair share of administrative costs should be charged by the Institute to the earmarked funds concerned, thereby eventually enabling the Institute to alleviate the need for a subvention from the regular budget.

7. The Committee believes that UNIDIR performs certain functions that closely relate to the work of other units in the Secretariat, United Nations subsidiary organs, or research institutions. In order to maximize the resources of the Institute, the Committee recommends that UNIDIR carefully review its activities with a view to avoiding possible duplication.

8. Bearing in mind what has been stated in the paragraphs above, the Committee recommends approval of the recommendation of the UNIDIR Board of Trustees for a subvention amounting to $220,000 in 1991; in view of the fact that provision has already been made under section 2B of the programme budget for 1990-1991, no additional appropriation would be required.

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PROGRAMME BUDGET FOR THE BIENNIUM 1990-1991

Conference services at Vienna

Division of Administrative and Common Services, Vienna

Review of the functioning and administrative support of the departments having mandates related to global social development issues and proposals for the strengthening of the United Nations Office at Vienna

Seventh report of the Advisory Committee on Administrative and Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions has considered the following reports of the Secretary-General, which have been prepared pursuant to General Assembly resolution 44/201 of 21 December 1989:

(a) Conference services at Vienna (A/C.5/45/30);

(b) Division of Administrative and Common Services, Vienna (A/C.5/45/32).

The Advisory Committee also had before it the Secretary-General's report on the review of the functioning and administrative support of the departments having mandates related to global social development issues and proposals for the strengthening of the United Nations Office at Vienna (A/C.5/45/4). During its consideration of the above reports, the Advisory Committee met with representatives of the Secretary-General, who provided additional information. Furthermore, in November 1990, the Advisory Committee received information in writing from the International Atomic Energy Agency (IAEA) and the United Nations Industrial Development Organization (UNIDO).

A. Conference services at Vienna (A/C.5/45/30)

2. As stated in paragraph 1 of the Secretary-General's report, the General Assembly, in resolution 44/201, had, inter alia, "endorsed the view of the Secretary-General that a single conference-servicing facility at the Vienna International Centre would represent the ideal solution from the standpoint of cost efficiency"; it also requested the Secretary-General to expedite consultations with the parties concerned as had been recommended by the Advisory Committee in its report. 1/ The present report of the Secretary-General has been submitted in compliance with the Advisory Committee's proposal that a report on the outcome of these consultations be submitted to the General Assembly, at the latest, by its forty-fifth session.

3. The Advisory Committee notes from paragraph 3 of the Secretary-General's report that although representatives of the Secretary-General held consultations with representatives from UNIDO and IAEA during April and May 1990, no conclusive agreements on the subject were reached. The Committee also notes that the Joint Advisory Committee for Conference Services at Vienna, consisting of representatives from the three organizations, "resumed its meetings early in May 1990 and is expected to present its findings and recommendations to the Directors-General of the United Nations Office at Vienna, UNIDO and IAEA during the first quarter of 1991".

4. In this connection, the Advisory Committee notes that:

> "The Secretary-General remains firmly convinced that a single conference-servicing facility at the Vienna International Centre would represent the ideal solution from the point of view of cost efficiency and that, in view of its mandate to provide a full range of servicing operations for its deliberative bodies, the United Nations is best suited to assume the responsibility of providing conference services to all organizations at the Centre. Short of this, a single unified service provided by the United Nations for itself and UNIDO would provide most of the benefits anticipated from fully unified conference services at the Centre." (para. 22)

5. The criteria of the Joint Inspection Unit for the establishment of common services, set out in its report (A/39/520), are summarized in paragraphs 6 to 9 of the Secretary-General's report. As indicated in paragraph 10, those criteria were applied by the above-mentioned Joint Advisory Committee for Conference Services in its 1987 study, at which time "the Committee concluded that conference services were suitable in principle for operation as a common service, although some reservations were expressed by the representatives of IAEA".

6. The current arrangements for conference servicing are summarized in paragraph 4 of the Secretary-General's report. The Advisory Committee notes from paragraph 13 that the current arrangements between the United Nations and UNIDO for conference servicing, "adopted at the time of the conversion of UNIDO into a specialized agency, were intended to cover a brief transitional period until more permanent arrangements could be decided upon on the basis of an analysis of the experience and the actual requirements of the Vienna-based organizations and the

necessary budgetary and administrative arrangements could be concluded". The Secretary-General goes on to state that both the United Nations and UNIDO have been generally satisfied with the technical operation of the joint services. However, as discussed in paragraph 16 and as previously highlighted by the Advisory Committee in its reports on the proposed programme budget for 1990-1991, 2/ there have been "problems of control and co-ordination arising from the continuation of the transitional arrangements ... under which posts are loaned from one organization to the other and it is necessary to account for income and expenditure in both organizations" (A/C.5/45/30, para. 16).

7. That being said, the Secretary-General, pointing out that both UNIDO and the United Nations "would be prepared to administer conference services as a common service" (para. 14), recommends that "the two joint services should now be combined to form a single unified service for both the United Nations and UNIDO" (para. 15). In the opinion of the Secretary-General, such a service, in addition to offering increased economy and efficiency, would also "give Member States a clear picture of the total cost of conference services and the relative cost to each participating organization". Furthermore, as previously stated, "in view of the relative levels of conference-servicing requirements, it is anomalous for the United Nations not to be responsible for unified or joint conference services at the Centre" (para. 17). The Secretary-General adds that such an arrangement "would leave open the possibility of eventual participation of other Vienna-based organizations, including IAEA, should they find it to their advantage to join the common service" (para. 15).

8. In this connection, the Advisory Committee notes that on the occasion of its visit to the Vienna International Centre in June 1990, representatives of IAEA informed the Committee that the Agency was not predisposed in favour of a common conference service. This position of the Agency reflects a variety of reasons, including the view that expectations of economies of scale rarely materialize and the fact that IAEA's current stringent cost controls serve its interests well.

9. The Advisory Committee concurs in the proposal to join the two joint services of the United Nations and UNIDO to form a single unified service, it being understood that such concurrence should not prejudice the establishment of a common service in the event that all three parties concerned reach agreement on this matter (see para. 3 above).

10. In view of the fact that the United Nations is the largest user of conference services and for the reasons given in paragraphs 18 to 21 of the Secretary-General's report, the Advisory Committee believes that any unified/common service to be established should be administered by the United Nations, with proportionate reimbursement from the other participant(s). The Advisory Committee therefore requests the Secretary-General to continue his consultations with UNIDO and IAEA making clear this position concerning the administration of the service.

11. In paragraph 23, the Secretary-General proposes that if the General Assembly agrees with his conclusions regarding the establishment of either a common conference-servicing facility at the Vienna International Centre or a unified United Nations/UNIDO service, both of which would be United Nations-administered, it "may wish to invite the governing bodies of UNIDO and IAEA to consider the

establishment of unified conference services at the Vienna International Centre as from the biennium 1992-1993". The Advisory Committee concurs in this approach as well as the suggestion that the Secretary-General prepare "specific detailed proposals for such a service" to be submitted to the Advisory Committee at its spring 1991 session and then to the governing bodies of UNIDO and IAEA. Bearing in mind its observations above, the Advisory Committee requests that the proposals should, inter alia, clearly identify the United Nations as the administering body and provide adequate details concerning the apportionment of costs and so on. Should no agreement be reached by the Joint Advisory Committee for Conference Services at Vienna (see para. 3 above) on either a common or a unified United Nations/UNIDO service, the Advisory Committee invites the Secretary-General to submit detailed proposals to it concerning a separate United Nations service.

B. Division of Administrative and Common Services, Vienna (A/C.5/45/32)

12. As stated in paragraph 1 of the Secretary-General's report, the General Assembly, in its resolution 44/201, concurred with the Secretary-General that an in-depth review of common services at Vienna was needed during the biennium 1990-1991. The Advisory Committee notes from paragraph 2 that the report of the Secretary-General is an interim report to appraise the Assembly of developments during 1990 and also to indicate what further action needs to be taken "to implement the required improvements in the administrative arrangements at the Vienna International Centre".

13. Background information concerning the establishment of common services at the Vienna International Centre is provided in paragraphs 3 to 5 of the Secretary-General's report; as indicated therein, "the common services arrangement was predicated on the principle that certain functions should not be undertaken individually by Vienna International Centre occupants" (para. 5).

14. The Advisory Committee notes that those "functions for which each organization could assume responsibility for itself were not covered by the Memorandum of Understanding" (which established the management pattern for the common services) (para. 6); therefore these functions remained with both IAEA and UNIDO. As stated in paragraph 7, following the establishment of the United Nations Office at Vienna, UNIDO continued to perform, on behalf of the Office, all financial and personnel services, with the exception of the certification function.

15. As indicated in paragraph 9, that arrangement changed once UNIDO became a specialized agency and it was agreed that "the administration of those functions not covered under the Memorandum of Understanding would be undertaken as joint services between the United Nations and UNIDO". The arrangements for these joint services, which are described in paragraph 9, were covered by separate agreements between the United Nations and UNIDO; in this connection, the Advisory Committee notes that "staff costs are budgeted in full by the organization providing the service with reimbursement from the user organization, either in the form of an agreed lump-sum or another cost-sharing formula. Non-staff costs of joint services are budgeted by each organization individually based on estimated or actual usage" (para. 9).

16. The Advisory Committee notes that two survey missions were sent to Vienna during the first half of 1990; as stated in paragraph 12, the teams "examined the quality of common services provided covered under the Memorandum of Understanding and joint services arrangements agreed upon between the United Nations and UNIDO". The teams also "reviewed the cost-sharing arrangements for these administrative arrangements; and considered the appropriateness of the allocation of joint services functions between UNIDO and the United Nations Office at Vienna".

17. Paragraphs 15 to 30 of the Secretary-General's report discuss at some length the findings of the teams vis-à-vis the various common and joint services. In paragraph 31 the Secretary-General states that "the reviews undertaken in 1990 hav pointed to the urgent need to reassess and restructure the administrative and common services arrangements at Vienna", including the assignment of functions in the framework of common and joint services arrangements. The Secretary-General also states that a review of the services is needed in order to determine "the appropriate share of all users in the cost of each service ... to ensure that the reimbursement for services is equitable, that the determination of the levels of services rendered is based on quantifiable data and that the reimbursement formul is relatively simple and lends itself to easy monitoring" (para. 32).

18. The Advisory Committee is in total agreement with the above-quoted conclusio and recommends that the Secretary-General undertake these reviews, in consultatio with the other parties concerned, as a matter of priority. In so stating, the Advisory Committee remains of the view that certain services should not be undertaken individually, in other words, they should be administered as common services. Examples of such services include security and safety, buildings management, catering and medical services. However, a reassessment of other comm services, such as computer or printing services, also needs to be taken.

19. The above-mentioned reviews would not only touch upon which services should b administered as common services but, as mentioned by the Secretary-General in paragraph 31, also reconsider the assignment of functions. In this connection, th Advisory Committee notes the Secretary-General's statement that "activities such a security, communications, library services, language training and buildings management operations are very closely related to the servicing of conferences which ... should come under the management and direction of the United Nations". In the view of the Advisory Committee, notwithstanding its observation regarding conference services (see para. 10 above), insufficient information has been provided on which basis it could form an opinion regarding the management of the other services, some of which are currently administered by IAEA and UNIDO. Rather, the Committee believes that this matter should form part of the consultations and review to be undertaken.

20. A reassessment/review is also needed in respect of joint services. In this connection, the Advisory Committee notes that for the reasons provided in paragraph 20 of the Secretary-General's report, joint personnel services are no longer appropriate. The Advisory Committee also notes the Secretary-General's statement that, with regard to financial services, "it would be more efficient for the United Nations to develop a plan for the take-over of pay-roll, payments, system design and programming functions currently carried out by UNIDO for the

United Nations Office at Vienna" (para. 18). The Advisory Committee agrees with this conclusion; in its opinion, financial services should be administered separately, particularly when, as in this case, different financial rules and regulations exist for the United Nations and UNIDO. As discussed in paragraph 19, problems also exist regarding general services; the Advisory Committee believes that this area should also be carefully reassessed.

21. As indicated by the Secretary-General in paragraph 32, a review of the cost-sharing arrangements of all common and joint services is also necessary. The question of cost-sharing arrangements is discussed in paragraphs 28 to 30 of the Secretary-General's report; the Advisory Committee notes the Secretary-General's statement that "it appears that ... the United Nations Office at Vienna has either undercharged for the services it rendered or was overcharged as a user organization" (para. 28). The Secretary-General goes on to explain that the cost-sharing arrangements for common services have not been reviewed or revised since their formulation; the arrangements for joint services continue to be the agreed fixed lump-sum payments based on estimated usage and costs prevailing in 1986. "The current reimbursement payments for joint services, therefore, do not adequately cover the costs incurred by the servicing organization or accurately reflect the current use by the user organization" (para. 30).

22. The Advisory Committee agrees that a review to determine the appropriate cost-sharing arrangements is needed. However, it points out that the statement that the United Nations Office at Vienna has been overcharged as a user organization or undercharged for services it has provided might lead to misunderstandings, which in turn may impede the progress of negotiations among the parties concerned. While it is true, for example, that the services of the telecommunications network (as opposed to staff costs and other fixed communication costs) are provided free of charge by the United Nations (see para. 30 of the Secretary-General's report), there may be other instances where the United Nations is not being charged sufficiently.

23. In this connection, the Committee notes from paragraph 14 that the joint services arrangements appear economical; however, "this is mainly due ... to the fact that to this date charges have been calculated on the basis of the cost of the services in 1986. The fixed amounts established at that time have not been revised in an effort to keep cost of the reciprocal arrangements for joint services at a minimum level. The United Nations has now been notified that ... a significant increase in the amount of reimbursement by the United Nations Office at Vienna to UNIDO for the cost of these services is anticipated in the next biennium".

24. In the circumstances, the Advisory Committee urges the Secretary-General to start reviewing the cost-sharing arrangements as soon as possible, and, in this connection, it trusts that all parties concerned will co-operate in the review with a view to ensuring equitable rates of reimbursement.

25. As stated in paragraph 33, the Secretary-General proposes that the General Assembly delegate authority to the Advisory Committee to approve, at its spring 1991 session, proposals for revised administrative arrangements at Vienna that would be based on the consultations to be held with UNIDO and IAEA. The same

proposals could then be reviewed by the Industrial Development Board of UNIDO in July 1991 and by the Board of Governors of IAEA in June 1991. The Advisory Committee concurs in this approach.

26. In paragraph 34 the Secretary-General states that the "main burden of the renegotiation of the Memorandum of Understanding and revisions to the joint services agreement will fall on the United Nations Office at Vienna, and in particular, on its Division of Administrative and Common Services". In the opinion of the Secretary-General, that Division "would require strengthening if it is to play an effective role in the discussions with the representatives of the other organizations". The Secretary-General also notes that "while it may be premature at the present stage to provide for the overall strengthening of the Division of Administrative and Common Services" (as recommended by the Advisory Committee in its report A/45/570 and Corr.1), the expanded functions of the Division require that the head be at the D-2 level (para. 35). Accordingly, the Secretary-General proposes the establishment of a new D-2 post, effective 1 January 1991, to head the Division of Administrative and Common Services; the establishment of a General Service post as at the same date is also requested.

27. The Advisory Committee notes that the financial implications of these requests total $93,000 for 1991 under section 28 I of the programme budget, with an amount of $23,400 required under section 31, to be offset by a corresponding amount under income section 1.

28. The Advisory Committee recommends the establishment of these new posts; however, it believes that the related cost for 1991 should be absorbed from within existing resources.

Notes

1/ Official Records of the General Assembly, Forty-fourth Session, Supplement No. 7 (A/44/7/Add.4).

2/ Ibid., (A/44/7 and Add.4).

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PROGRAMME BUDGET FOR THE BIENNIUM 1990-1991

UNITED NATIONS COMMON SYSTEM

Administrative and financial implications of the decisions and recommendations contained in the report of the International Civil Service Commission

Eighth report of the Advisory Committee on Administrative and Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions has considered the statement submitted by the Secretary-General (A/C.5/45/29) on the administrative and financial implications of the recommendations and decisions contained in the report of the International Civil Service Commission (ICSC). 1/ During its review of the statement, the Advisory Committee met with representatives of the Secretary-General who provided additional information.

2. As cited by the Secretary-General in paragraph 1 of his statement, the decisions and recommendations of the Commission that would entail financial implications for the biennium 1990-1991 relate to the following issues:

(a) Comprehensive review of the conditions of service of staff in the Professional and higher categories;

(b) Remuneration of staff in the Professional and higher categories: base/floor salary scale;

(c) Conditions of service of the General Service and related categories;

(d) Education grant;

(e) Conditions of service of the Field Service category.

3. As can be seen from the table following paragraph 30 of the Secretary-General's statement, the financial implications for the United Nations regular budget, as a result of implementation of the decisions and recommendations of ICSC are estimated at $4,543,500 for 1990 and $10,173,300 for 1991. In addition, as indicated in the footnotes to that table, financial implications of $800,185 are estimated for 1989 and are proposed to be financed from the programme budget for 1990-1991. The annualized system-wide cost is estimated at $24,371,000, as summarized in the Commission's report.

4. The Advisory Committee was informed by the representatives of the Secretary-General that the estimated United Nations share for those recommendations relating to the Professional category and above represents a proportion of the estimate for the system as a whole; of the total Professional staff within the system, approximately 25 per cent are with the United Nations, and approximately 77 per cent of these are on the United Nations regular budget.

5. The Advisory Committee notes the absence of information on extrabudgetary costs in the Secretary-General's statement, and requests that an appropriate methodology be developed for reflecting this information in future reports.

6. Paragraphs 10 to 12 of the Secretary-General's statement refer to the recommendations of the Commission with regard to the conditions of service of the Assistant Secretary-General and Under-Secretary-General and equivalent levels. ICSC had made recommendations to the General Assembly on the specific issue of housing whereby eligible officials would receive a maximum rental subsidy amounting to 75 per cent of the threshold rent for the individual concerned.

7. The Commission has presented no financial implications for this item for the United Nations common system. The United Nations has estimated the cost to the regular budget for 1991 at $224,000. The representatives of the Secretary-General explained to the Advisory Committee that in arriving at that estimate they had taken into consideration the fact that the United Nations has 58 Assistant Secretaries-General/Under-Secretaries-General on the regular budget; of these, 40 are located in New York and at Geneva and Vienna, the duty stations where the 75 per cent maximum rental subsidy would have the greatest effect. An estimated half of Assistant Secretaries-General/Under-Secretaries-General in New York, at Geneva and at Vienna would take up the new provisions, with an average difference between current and new entitlements of $1,000.

8. The Commission's recommendation on remuneration of staff in the Professional and higher categories (the base/floor salary scale system) entails financial implications, for the United Nations system as a whole, at $5.5 million per annum. However, in view of the fact that the Commission recommended implementation as of 1 March 1991, the costs to the United Nations regular budget for 1991 would be $873,950, compared with system-wide costs of $4.6 million.

9. The Advisory Committee has no objection to the estimates put forward by the Secretary-General in his statement, and notes his intention, expressed in paragraph 31, to deal with the impact of the recommendations of ICSC in the first programme budget performance report for the biennium 1990-1991.

Notes

1/ Official Records of the General Assembly, Forty-fifth Session, Supplement No. 30 (A/45/30).

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PROGRAMME BUDGET FOR THE BIENNIUM 1990-1991

Revised estimates resulting from resolutions of the Economic and Social Council at its first and second regular sessions of 1990

Economic and Social Council resolution 1990/72, which requires action by the General Assembly

Ninth report of the Advisory Committee on Administrative and Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Secretary-General (A/C.5/45/31) on the revised estimates resulting from resolutions of the Economic and Social Council at its first and second regular sessions of 1990, including Council resolution 1990/72 of 27 July 1990, which requires action by the General Assembly. During its consideration of the above-mentioned report, the Committee met with representatives of the Secretary-General who provided additional information.

2. The Committee notes from paragraph 2 of the Secretary-General's report that for 1991 the estimated additional requirements arising out of Economic and Social Council resolution 1990/11 of 24 May 1990 and Council resolutions 1990/71 and 1990/75 of 27 July 1990 amount to $656,200, of which $632,200 relate to activities derived from legislative mandates not provided for in the programme budget for the biennium 1990-1991, as follows:

	$
Section 8:	31 000
Section 9:	361 200
Section 13:	240 000
Total	632 200

Section 8. Activities on global social development issues

3. The Committee has no objection to the proposed activities on global social development issues in implementation of Economic and Social Council resolution 1990/11 concerning the situation of Palestinian women, and recommends approval of the estimate of $31,000 under section 8 for the biennium 1990-1991.

Section 9. Transnational corporations

4. The Committee recalls that the activities proposed in Economic and Social Council resolution 1990/71, as described in paragraphs 8 to 12 of the Secretary-General's report (A/C.5/45/31), were initiated by the Commission on Transnational Corporations at its fifteenth session in April 1989 (E/1989/28/Rev.1).

5. In the view of the Committee, the Secretary-General's report does not clearly indicate how the activities mandated by the Commission on Transnational Corporations relate to the work of the Preparatory Committee for the United Nations Conference on Environment and Development and to what extent those activities are in conformity with the guidelines established by the General Assembly in section I of its resolution 44/228 (para. 10) and enhance the objectives of the preparatory process.

6. The Committee therefore recommends that the activities of the Centre on Transnational Corporations, described in the Secretary-General's report, should be carefully reviewed, taking into account the mandate of the United Nations Environment Programme (UNEP) and the Preparatory Committee for the Conference, with a view to avoiding possible duplication and making the preparation of the Conference more cost-effective. Accordingly, the Committee recommends an estimate of an additional amount of $1[illegible]000 under section 9.

Section 13. Economic Commission for Africa

7. The Committee recalls, as indicated in paragraph 16 of the Secretary-General's report, that the Council requested the Secretary-General in Economic and Social Council resolution 1990/75 to make available to the secretariat of the Economic Commission for Africa (ECA) the financial resources required to collect up-to-date information on the implementation of the United Nations Programme of Action for African Economic Recovery and Development, 1986-1990. The Committee has no objection to the related estimate of $240,000 under section 13 of the programme budget.

Contingency fund

8. The Committee notes from paragraph 18 of the Secretary-General's report that no provision has been approved in the programme budget for the biennium 1990-1991 to undertake the activities indicated in paragraphs 3 to 7 above and that a consolidated statement of all activities that are eligible for resources from the

contingency fund will be submitted to the General Assembly towards the end of the current session.

9. The Committee observes that no alternatives such as modification or deferment of specific programme activities to the next biennium have been made in the Secretary-General's report in the event that it would not be possible to accommodate the new activities called for in the above Economic and Social Council resolutions from the contingency fund. In this connection, the Committee recalls its observations in its report of 1989:

> "The Committee strongly stresses the need for the Secretariat, when preparing statements of programme budget implications of draft resolutions and decisions, not to abdicate its responsibility to provide, for consideration of intergovernmental bodies concerned, precise indications of alternatives in the event that total additional expenditures proposed exceed resources available within the contingency fund." 1/

10. Subject to its observations and taking into account paragraph 6 above, the Advisory Committee recommends an estimate of additional requirements in 1990-1991, totalling $451,000, attributable to three resolutions adopted by the Economic and Social Council at its first and second regular sessions of 1990. Accordingly, the Committee recommends that, at this stage, the Fifth Committee should take note of the above estimate on the understanding that such additional appropriations as may be requested by the Secretary-General will be in the context of a consolidated statement to be submitted to the General Assembly towards the end of its current session in accordance with Assembly resolution 42/211 of 21 December 1987, annex, sect. C, paras. 5 and 6.

Economic and Social Council resolution 1990/72 requiring action by the General Assembly

11. By its resolution 1990/72, the Economic and Social Council called upon the General Assembly, as a matter of urgency, to approve the inclusion of four key posts for the African Institute for Economic Development and Planning (IDEP) in the United Nations regular budget in order to enable the Institute to carry out its approved work programme and functions on a continued and sustained basis as stipulated in its Statute.

12. The Committee notes that the Institute, under its Statute, is financed by annual contributions from African States and the United Nations Development Programme (UNDP). The Committee was informed that the budget of the Institute for 1990 is $1,564,300 and should be financed as follows:

	$
UNDP contribution	735 300
African countries assessed contributions	587 000
ECA trust funds and miscellaneous incomes	242 000
Total	1 564 300

According to information received by the Committee, only UNDP has fully paid its contribution. Income from Member States totals $356,680, but this must be seen against a cumulative total of 1990 assessments and arrears of contributions (1976-1989) amounting to $9,853,841. The Committee was further informed that UNDP is reconsidering its institutional support for IDEP and may decide to provide support only to research/consultancies.

13. It is proposed in paragraphs 25 and 26 of the Secretary-General's report (A/C.5/45/31) to include the four posts of Director of the Institute (D-1), Chief of Administration and Finance (P-5) and two senior lecturers (each at P-4) in the regular budget. This would result in additional requirements for 1991 of $392,200 under section 13 of the programme budget for the biennium 1990-1991. The Committee notes from paragraph 27 of the Secretary-General's report "that no posts can be identified within section 13 of the 1990-1991 programme budget that could be redeployed to the Institute should the General Assembly decide to include the four posts in the regular budget".

14. The Committee expresses its concern about the persistent and substantial shortfall of funds to the Institute and its current financial situation. In this connection, the Committee notes that a number of African States are having great difficulties in making their assessed contributions to the Institute during the current critical economic situation in Africa. The Committee notes that the Institute is the only regional institution able to provide training and research services for all States members of the Commission in the area of economic development and planning. Considering the role of the Institute in the training of African planners and development specialists and the continuing and growing needs of African Governments for the services of the Institute in the fields of training, research and advisory services, the Committee believes that there is an urgent need to secure the continued operation of the Institute through institutional support and funding. The Committee therefore recommends that the General Assembly should request the Governing Council of UNDP to urge the Administrator to implement fully Economic and Social Council resolution 1990/72, as follows:

(a) To give its full backing to the short-term training programme and the research and advisory activities of the Institute;

(b) To continue its support for the activities of the Institute in 1990 and beyond.

The Committee further recommends that, in the mean time, as an interim measure, a subvention under section 13 of the regular budget for the biennium 1990-1991 should be made in the amount of $392,200 to finance the four posts of the Institute. The General Assembly may also wish to request the Secretary-General to report on the implementation of its request to the Governing Council of UNDP.

Notes

1/ Official Records of the General Assembly, Forty-fourth Session, Supplement No. 7A (A/44/7/Add.1-8), A/44/7/Add.1, para. 10.

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PROGRAMME BUDGET FOR THE BIENNIUM 1990-1991

Comprehensive review of the after-service health insurance programme

Tenth report of the Advisory Committee on Administrative and Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Secretary-General (A/C.5/45/33) on the comprehensive review of the after-service health insurance programme. During its consideration of the report, the Committee met with representatives of the Secretary-General.

2. The Advisory Committee recalls that, in its first report on the proposed programme budget for the biennium 1990-1991, it had recommended that the Secretary-General should explore means by which extrabudgetary activities could contribute toward the costs of the after-service health insurance programme. The present report of the Secretary-General (A/C.5/45/33) presents the salient issues relating to after-service health insurance, in particular the legislative and financial aspects and also outlines the steps taken with regard to the recommendation of the Advisory Committee.

3. In paragraphs 2 to 6 of his report, the Secretary-General describes the origin of and developments in the health insurance programme, including after-service health insurance which, following the decision of the General Assembly, on 20 December 1966, was made available to retired staff members since 1967.

4. The Advisory Committee notes from paragraph 7 of the report of the Secretary-General that the average after-service health insurance enrolment rose from 2,672 participants in the 1984-1985 biennium to 3,588 in the 1988-1989 biennium, an increase of 34.3 per cent. Over the same period, the organizational

subsidy increased from $6.9 million to $12.6 million, an increase of 86.6 per cent. The escalation of medical costs and related insurance premiums also contributed both to the growth and to the increased cost of the programme.

5. For reasons given in paragraphs 8 to 13 of the report, the Secretary-General concludes that the available data do not provide a satisfctory basis upon which to apportion the after-service health insurance subsidy costs between the regular budget and the various extrabudgetary accounts, nor does he believe that the subsidy share can be determined on the basis of the relative proportions of regular budget and extrabudgetary staff costs.

6. In paragraph 14, the Secretary-General states that for the after-service health insurance subsidy pertaining to each eligible staff member to be correctly apportioned among the sources of funds under which the staff member accrued entitlement to the benefit, the implementation of the integrated management information system must be awaited.

7. While the Advisory Committee welcomes the efforts made by the Secretary-General in this regard, the Committee believes that its concerns on the subject have still not been satisfactorily addressed. The Advisory Committee notes from paragraph 15 of the report that the Secretary-General proposes, as an interim measure, "to take an initial step toward offsetting a portion of the after-service health insurance subsidy against extrabudgetary sources of funds in the context of the proposed programme budget for the biennium 1992-1993". The Secretary-General indicates that he will continue to explore ways and means of further refining the methodology for apportionment of the costs of after-service health insurance. In this connection, the Committee trusts that a simple but effective methodology, which would not necessarily be tailored to specific individuals, will be developed to ensure that extrabudgetary activities contribute a fair proportion of the costs toward the after-service health insurance programme. As indicated by the Secretary-General in paragraph 15 of his report, the Committee will be provided with a report on the subject at its spring session in 1991.

8. The Committee notes from paragraph 11 of the annex to the report of the Secretary-General (A/C.5/45/33) that, commencing in 1989, a system was introduced, whereby premium contributions could be deducted monthly from the retired staff member's periodic pension benefit and that by the end of the current biennium all such contributions will be administered under the pension deduction system. The Advisory Committee is concerned about the impact of this additional activity on the pension fund secretariat and intends to monitor the administrative costs involved.

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PROGRAMME BUDGET FOR THE BIENNIUM 1990-1991

Conditions of service and compensation for officials other than Secretariat officials

Members of the International Court of Justice

Eleventh report of the Advisory Committee on Administrative and Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Secretary-General on conditions of service for members of the International Court of Justice (A/C.5/45/44). Pursuant to General Assembly resolution 31/204 of 22 December 1976, the report reviews not only the salaries of the members of the Court, but also the allowances and compensation provided for in article 32, paragraphs 2 to 4, of the Statute of the International Court of Justice, and the retirement pensions given to members of the Court. During its consideration of the item, the Advisory Committee met with representatives of the Secretary-General and the Court who provided additional information.

2. Remuneration of members of the Court, including background information, is discussed in section I of the Secretary-General's report (paras. 4-21), supported by tables 1 to 3. In response to inquiries concerning table 3, which compares the gross emoluments of officers of three national judiciaries, the Court of the European Communities and the Iran-United States Claims Tribunal, the Committee was informed that the emoluments shown in respect of a number of these bodies are subject to taxation.

3. In paragraph 14, the Secretary-General states that he "has received a letter from the Court suggesting that grounds exist for increasing the total annual compensation of its members from the present level to $150,000". In this connection, the Advisory Committee notes that, as indicated in the

Secretary-General's report, the current annual compensation of a member of the Court is $101,750, comprising a base salary of $82,000 and a cost-of-living supplement of $19,750.

4. The Court's arguments for the above-mentioned increase are quoted at length in paragraphs 14 to 16 of the Secretary-General's report. In paragraph 18, the Secretary-General states that he "fully supports the view of the Court that a structural change in the level of the emoluments of its members is justified at this time ..."; in paragraph 20 he recommends that the cost-of-living supplement of the judges should be incorporated into the present base salary of the members of the Court and that the resulting emoluments should be adjusted upwards by approximately 5 per cent, which would yield an annual base salary of $106,500. As explained in paragraph 21, it is also proposed to introduce a mechanism for post adjustment similar to the one that pertains to salaries of staff in the Professional and higher categories. This approach would "yield a total salary (base salary plus post adjustment) of approximately $145,000 per annum".

5. The introduction of this post adjustment mechanism would negate the need for the current cost-of-living supplement and the currency floor/ceiling protection mechanism as discussed in section II (paras. 22-28) of the Secretary-General's report. In the opinion of the Secretary-General, "such an approach would offer strong advantages of administrative simplicity" (para. 28). The Committee also notes from section IX of the Secretary-General's report (paras. 46-51) that, should the recommendations regarding an increase in base salary from $82,000 to $106,500 be adopted, "the pension entitlement of the judges elected to serve nine years would increase from $41,000 to $53,250 a year (a 29.9 per cent increase)" (para. 50), i.e., half of the annual base salary.

6. Section III of the Secretary-General's report (A/C.5/45/44) deals with the special allowances of the President and Vice-President when acting as President, as well as the question of representation allowances for the members of the Court other than the President. In paragraph 34, the Secretary-General proposes to increase the special annual allowance of the President from $15,000 to $20,000; he also proposes to increase the special allowance payable to the Vice-President when acting as President from $94 a day (with a maximum of $9,400 a year) to $115 a day (with a maximum of $11,500 per year).

7. Noting that, up to the present, members of the Court have received no allowance for representational purposes, the Secretary-General recommends the establishment of such an allowance for members of the Court, other than the President, at the level of $4,000 per year.

8. In section IV (para. 35) of his report, the Secretary-General recommends that, should the General Assembly endorse the recommendations of the International Civil Service Commission (ICSC) for special provisions relating to the rental subsidy system for Assistant Secretaries-General and Under-Secretaries-General, "the same provisions (should) be extended to the members of the Court, contingent on their establishing residence at The Hague". Similarly, in section VI, the Secretary-General recommends that, in the light of General Assembly resolution 43/226 of 21 December 1988, "the amount of the reimbursement for costs of education

applicable to members of the Court be increased in line with General Assembly resolution 43/226, subject to the same ceiling (i.e. $6,750), and extending the provisions regarding disabled children to members of the Court" (para. 39). The Secretary-General also proposes that "any increase decided by the General Assembly in the level of the grant or changes in the provisions regarding disabled children should be extended to members of the Court" (para. 40).

9. Sections V, VII and VIII of the Secretary-General's report deal with the compensation of ad hoc judges, relocation allowance, and compensation for survivors in the event of death, respectively. The Advisory Committee notes the Secretary-General's view that no change is required in the existing arrangements under these headings; however, the Advisory Committee notes that there would be consequential additional costs related to any increase in the base salary.

10. The question of pensions is discussed in section IX of the Secretary-General's report; as stated therein, the pensions are non-contributory and constitute half of the annual salary to a retired judge who has completed a full term. As indicated in paragraph 5 above, a change in the base salary of members of the Court would have a consequential effect on the amount of pensions payable.

11. The financial implications of the changes proposed in the compensation and conditions of service of the judges amount to $1,065,100 for 1991, as detailed in paragraph 52 of the Secretary-General's report.

Observations and recommendations of the Advisory Committee

12. The Advisory Committee agrees with the Secretary-General's conclusion that a structural change in the level of the emoluments of the members of the Court is justified at this time. However, the Committee had a number of difficulties with the proposals of the Secretary-General and, in this connection, it emphasizes that the system of emoluments and conditions of service applicable to members of the Court should be simple and distinct from any other in the United Nations system. In so stating, the Advisory Committee recalls its previous observations on the subject that "the fact that the salaries of the members of the Court are sui generis does not mean that they can be determined in a vacuum. What it does mean is that they should not be directly related or compared to those of senior Secretariat officials". 1/

13. Consistent with the above, the Advisory Committee recommends that the annual salary of members of the Court be set at $145,000, effective 1 January 1991, with the next review to take place no later than three years from 1 January 1991. There would be no cost-of-living adjustment or supplement as is currently the case. Nor would there be a post adjustment factor (see para. 4 above). However, the Committee recommends that a measure of protection against currency fluctuation should be provided, through the application of a local currency floor and ceiling measure, similar to that now in place. Under that system, the salaries are protected in local currency terms in the event of a weakening (strengthening) of the dollar below (above) a certain exchange rate. The Committee further recommends that the Secretary-General should submit to it at its spring session in 1991 his proposals regarding the appropriate floor/ceiling exchange rates to be applied.

14. The Advisory Committee believes that the special annual allowance of the President and that payable to the Vice-President when acting as President should be maintained at the current amounts. The Committee, in keeping with its observations above, recommends against the establishment of a representation allowance for members of the Court; it also recommends against the extension of any housing allowance provision to members of the Court (see para. 7 above). Recalling that the General Assembly, in its resolution 40/257 C of 18 December 1985 authorized the reimbursement of education expenses to the judges up to a ceiling of $4,500 per child, the Committee does not object to extending the provisions of Assembly resolution 43/226 (which raised the ceiling of the education grant) to members of the Court, nor to any increase in this respect which might be decided by the Assembly at its current session. However, it is of the view that any future increases that may be decided by the Assembly should not automatically be extended to members of the Court. Rather, the matter should be brought to the attention of the Advisory Committee and the Assembly in the context of its review of the conditions of service of the judges.

15. The recommendation of the Advisory Committee to consolidate the cost of living element - including what has been proposed by the Secretary-General as a post adjustment factor - into the base salary of judges, while greatly simplifying the salary structure, would also result in a disproportionate increase in pensions. To correct this anomaly, the Advisory Committee recommends that pensions of the judges no longer be expressed as a percentage of base salary. Rather, the pension entitlement of the judges elected to serve nine years should be set at $50,000 a year (a 22 per cent increase). A judge who is re-elected should receive an additional $250 per month for each further month of service up to a maximum pension of $75,000 per year. The pension would be subject to review whenever the annual salary of the members of the Court is reviewed (see para. 12 above). Approval of these recommendations would require other consequential changes in the pension scheme of the International Court of Justice. These could be reported by the Secretary-General to the Advisory Committee which could authorize their provisional application until the next session of the General Assembly.

16. In response to an inquiry, the Advisory Committee was informed that the financial implications of implementing its recommendations amount to $957,000 for 1991. A breakdown of that amount, also provided by representatives of the Secretary-General, is as follows:

Financial implications

	$US
Increase in salary	648 750
Increase in emoluments of ad hoc judges (para. 37 of the report of the Secretary-General (A/C.5/45/44))	54 000
Education grant increase (A/C.5/45/44, para. 39)	11 250
Relocation of judges (extra costs) (A/C.5/45/44, para. 43).....	a/
Compensation for survivors (extra costs) (A/C.5/45/44, para. 45)	b/
Pensions (A/C.5/45/44, para. 50)	243 000
TOTAL	957 000

a/ The financial implication of this proposal is unknown at this time, since it is contingent upon the relocation of some of the judges whose terms of office will expire on 6 February 1991.

b/ No financial implication of this proposal is estimated at this time.

17. The Advisory Committee concurs with the Secretary-General that the additional requirements relating to the payment of ad hoc judges would be governed by the provisions of paragraph 1 (b) (i) of General Assembly resolution 44/203 of 21 December 1989 on unforeseen and extraordinary expenses for the biennium 1990-1991; the balance of the additional requirements relate to inflation and should be treated accordingly, i.e., outside of the procedure related to the contingency fund.

Notes

1/ Official Records of the General Assembly, Thirty-first Session, Supplement No. 8 (A/31/8 and Add.1-26), A/31/8/Add.3, para. 15.

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PROGRAMME BUDGET FOR THE BIENNIUM 1990-1991

INTERNATIONAL ACTION TO COMBAT DRUG ABUSE AND ILLICIT TRAFFICKING

I. Implementation of the Global Programme of Action adopted by the General Assembly at its seventeenth special session, devoted to the question of international co-operation against illicit production, supply, demand, trafficking and distribution of narcotic drugs and psychotropic substances

II. Enhancement of the efficiency of the United Nations structure for drug abuse control

Twelfth report of the Advisory Committee on Administrative and Budgetary Questions

Part I

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Secretary-General (A/C.5/45/27), containing the statement of programme budget implications of General Assembly resolution S-17/2 of 23 February 1990, submitted to the Committee in compliance with resolution 1990/84 of the Economic and Social Council. The Committee has also considered the report of the Secretary-General on the enhancement of the efficiency of the United Nations structure for drug abuse control (A/45/652) and the statement of programme budget implications (A/C.5/45/64) relating to draft resolution A/C.3/45/L.44.

2. During its recent visit to the Economic and Social Commission for Latin America and the Caribbean (ECLAC), the Advisory Committee held detailed discussions on the role of that regional commission in the Global Programme of Action. The Committee raised a number of concerns with regard to co-ordination of the various activities being undertaken by ECLAC with those of the rest of the United Nations system. Similar concerns were raised in the Committee's meetings with the

specialized agencies. The Committee trusts that the ways and means will be found to ensure the active participation and contribution of each of the regional economic commissions and of the specialized agencies in this major initiative of the United Nations.

3. The programme budget implications resulting from the mandates and activities included in the Global Programme of Action are described in paragraphs 9 to 37 of the Secretary-General's report (A/C.5/45/27) and are presented under the headings used in the System-wide Action Plan on drug abuse control. The various areas of activity listed are: (a) strengthening the licit drug control system; (b) prevention and reduction of the illicit demand for drugs; (c) treatment and rehabilitation; (d) elimination of the supply of drugs from illicit sources; and (e) suppression of illicit drug traffic.

4. On the basis of assumptions outlined in paragraphs 9 to 37 of his report, the Secretary-General estimates that an additional amount of $911,900 would be required in 1991, with an additional estimate of $178,800 under section 31, Staff assessment, which would be offset by the same amount under income section 1, Income from staff assessment.

5. Of the total requirements indicated, $746,900 relates to posts; three P-5, five P-4, three P-3, one P-2, eight General Service (one at the Principal Level). As described in paragraphs 11 to 36 of the report, the 20 posts will be distributed as required within the 5 areas of activity mentioned above. Additionally, $150,000 in respect of consultants and $15,000 in respect of staff travel has also been indicated.

6. As pointed out in paragraph 38 of the Secretary-General's report, no provision has been made in the programme budget for the biennium 1990-1991 for the implementation of the Global Programme of Action. Therefore, as explained in paragraphs 39 and 40 of the report, additional requirements for the biennium would have to be drawn from the contingency fund.

7. The Advisory Committee does not object to the establishment of the 20 posts proposed by the Secretary-General in his report and accordingly recommends that the Fifth Committee inform the General Assembly that the programme budget implications of implementing the mandates and activities included in the Global Programme of Action would entail an additional requirement of $911,900 under section 20 of the programme budget for the biennium 1990-1991. In addition, there would be need for an additional amount of $178,800 under section 31, Staff assessment, to be offset by the same amount under section 1, Income from staff assessment. These additional requirements would be dealt with in accordance with the guidelines for the operation and use of the contingency fund. Accordingly, such additional appropriations as may be requested by the Secretary-General will be considered in the context of a consolidated statement to be submitted to the General Assembly at the end of its current session in accordance with section C of the annex to resolution 42/211 of 21 December 1987.

Part II

8. In his report on the enhancement of the efficiency of the United Nations structure for drug abuse control (A/45/652) and the statement of programme budget implications (A/C.5/45/64), the Secretary-General envisages a unified secretariat structure, entitled the United Nations International Drug Control Programme, with responsibilities for (a) treaty implementation; (b) policy implementation and research; and (c) operational activities. The Programme would be based at Vienna and would integrate fully the structures and functions of the Division of Narcotic Drugs of the Secretariat, the secretariat of the International Narcotics Control Board (INCB) and the United Nations Fund for Drug Abuse Control (UNFDAC).

9. In paragraph 13 of his report, the Secretary-General proposes abolishing the present extrabudgetary post of Assistant Secretary-General of UNFDAC and establishing an extrabudgetary post at the D-2 level to head the operational activities division of the new structure. In this connection, pursuant to General Assembly resolution 35/217 of 17 December 1980, the Advisory Committee has received a request from the Controller for the creation of the D-2 post. The Advisory Committee concurs in this request.

10. Under the terms of draft resolution A/C.3/45/L.44, the Secretary-General has been invited to take the necessary steps for the appointment of a senior official at the level of Under-Secretary-General who will head the Programme. The Advisory Committee believes that other Committees should be mindful of the fact that establishment of posts and the determination of their levels is within the mandate and prerogative of the Fifth Committee. Under the present circumstances, the Advisory Committee is unable to pronounce itself on the level of this post, but believes strict observance of General Assembly resolution 41/213 of 19 December 1966 would require that the appointment of such a senior official should be accommodated within the existing number of posts at that level. In that event, the additional requirements for the Under-Secretary-General post, estimated at $83,900 under section 20 of the programme budget for the biennium 1990-1991 (see para. 5 of A/C.5/45/64), would not be necessary.

11. In paragraph 9 of his report, the Secretary-General envisages that the staff in the division of treaty implementation of the new structure would, for the most part, be funded from the regular budget. However, certain units of the division would rely on extrabudgetary financing. In addition, as far as operational activities are concerned, the Committee notes from paragraph 10 of the report that it is proposed to finance that particular division from extrabudgetary resources of UNFDAC, which would be placed under the direct responsibility of the head of the unified secretariat structure.

12. In this connection, during its recent visit to Vienna, the Committee met with the Executive Director of UNFDAC to discuss current arrangements for the review and approval of the UNFDAC programme budget. The Committee was informed that current arrangements include submission of an annual UNFDAC programme budget for the consideration and approval of the Secretary-General prior to its implementation by the Executive Director.

13. In keeping with its call for improved approval and reporting mechanisms so as to ensure that extrabudgetary resources are subject to a greater measure of scrutiny and control, the Advisory Committee requested the Secretary-General that, starting with the budget year 1991, the Executive Director's programme budget proposals for UNFDAC, together with the Secretary-General's initial reaction to them, be submitted by him to the Advisory Committee for its concurrence prior to the transmission of his approval to the Executive Director.

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PROGRAMME BUDGET FOR THE BIENNIUM 1990-1991

Salary and retirement allowance of the Secretary-General and salary and pensionable remuneration of the Director-General for Development and International Economic Co-operation and the Administrator of the United Nations Development Programme

Thirteenth report of the Advisory Committee on Administrative and Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions was informed that the current salaries of the Secretary-General, the Director-General for Development and International Economic Co-operation and the Administrator of the United Nations Development Programme (UNDP) are as follows effective November 1990: 1/

	Gross salary (1)	Net salary (2)	Post adjustment (3)	Net remuneration (2 + 3)
Secretary-General	$156 429	$91 143	$50 127	$141 270
Director-General	$143 133	$84 229	$46 327	$130 556
Administrator of UNDP	$143 133	$84 229	$46 327	$130 556

The Secretary-General also receives a representation allowance of $22,500 and the Director-General and the Administrator of UNDP receive $10,000 each. The Committee was informed that the maximum annual retirement allowance for the Secretary-General is $81,650; the pensionable remuneration of the Director-General and the Administrator is $156,864.

2. Pursuant to General Assembly resolution 44/198 of 21 December 1989 an approximate 5 per cent increase in the salaries of staff in the Professional and higher categories came into effect in July 1990. This increase has not been

applied to the net salaries of the Secretary-General, the Director-General and the Administrator of UNDP.

3. Should the 5 per cent increase be applied to them, with effect from 1 January 1991 only, the result would be as follows:

	Gross salary (1)	Net salary (2)	Post adjustment (3)	Net remuneration (2 + 3)
Secretary-General	$165 192	$95 700	$52 635	$148 335
Director-General	$151 233	$88 441	$48 642	$137 083
Administrator of UNDP	$151 233	$88 441	$48 642	$137 083

4. The Advisory Committee recommends that a 5 per cent increase be applied in the case of the Director-General and the Administrator of UNDP as from 1 January 1991. The Advisory Committee notes that the pensionable remuneration of these two officials has been adjusted in the past in the same manner as staff in the Professional and higher categories (i.e., by the same percentage and at the same time). As a result of the changes in net remuneration, the pensionable remuneration for these two officials would increase to $163,960. The Committee therefore recommends that the pensionable remuneration for the Director-General and the Administrator of UNDP be set at $163,960 with effect from 1 January 1991.

5. With regard to the salary of the Secretary-General, the Advisory Committee believes that, in view of his position and responsibilities in terms of the United Nations and as Chairman of the Administrative Committee on Co-ordination (ACC), a more fundamental change in salary and emoluments is warranted. The Advisory Committee therefore recommends the following:

Gross salary (1)	Net salary (2)	Post adjustment (3)	Net remuneration (2 + 3)
$192 073	$109 678	$60 322	$170 000

The Committee also recommends that the representation allowance, which has been at its present level since 1963, should be increased to $25,000. The total net remuneration of the Secretary-General as from 1 January 1991 would therefore be $195,000.

6. With regard to the retirement allowance, pursuant to General Assembly resolution 2772 (XXVI) of 29 November 1971, this had been calculated at 50 per cent of gross salary. However, in 1986, the Advisory Committee recommended that this relationship need not necessarily be maintained and that changes in the retirement allowance of the Secretary-General should be linked to changes in net remuneration rather than changes affecting gross salary. 2/ The Advisory Committee therefore

recommends that the maximum annual retirement allowance should be set at $85,000 as at 1 January 1991, which is 50 per cent of the recommended net remuneration of $170,000. The retirement allowance payable to a former Secretary-General and to surviving spouses would be revised accordingly.

7. The amount of the retirement allowance should be adjusted by application of the same procedure and percentage used for adjusting the scale of pensionable remuneration for staff in the Professional and higher categories. The Advisory Committee notes that this same procedure is currently used for adjusting the pensionable remuneration of the Director-General and the Administrator of UNDP.

8. The Advisory Committee had requested and received information on the salaries and emoluments of the executive heads of the organizations of the common system. The Committee noticed several disparities, including different dates for application of increases. The Committee believes that a coherent system should be established for the rationalization of compensation of the executive heads, bearing in mind the prerogatives of the legislative bodies concerned. The Advisory Committee intends to look further into this matter with the specialized agencies and report to the General Assembly.

Financial implications

9. The financial implications of the recommendations made in the preceding paragraphs are summarized below. Such financial implications as relate to the United Nations regular budget are, in the opinion of the Advisory Committee, attributable to cost increases and should therefore not be a charge on the contingency fund.

Secretary-General

(a) Retirement allowance: The increase in the retirement allowance would result in a total additional cost, under section 1 of the programme budget, of the pension benefit in payment to a former Secretary-General of $3,350 in 1991;

(b) Net salary: Should the total net salary and representation allowance of the Secretary-General be increased, with effect from 1 January 1991, there would be an increase of expenditure under section 1 of the budget estimated at $31,230 for 1991;

(c) Gross salary: The increase in the gross salary of the Secretary-General would result in an increase of expenditure for staff assessment under section 31 of $35,644 for 1991. This increase would be offset by an increase in an equivalent amount in respect of income from staff assessment under income section 1.

Director-General for Development and International Economic Co-operation

(a) Pensionable remuneration: The increase in the pensionable remuneration of the Director-General would result in an increase of expenditure, under section 5A of the programme budget, in the organization's contribution to the Pension Fund estimated at $1,064 for 1991;

(b) Net salary: The increase in the total net salary of the Director-General would result in an increase of expenditure under section 5A of the budget of $6,527 for 1991;

(c) Gross salary: Should the gross salary of the Director-General be revised as recommended, there would be an increase of expenditure for staff assessment under section 31 of $8,100 for 1991. These increases would be offset by equivalent increases in respect of income from staff assessment under income section 1.

10. A draft resolution embodying the Advisory Committee's recommendations is annexed to the present report.

Notes

1/ Includes post adjustment increases for February and November 1990, but does not include the 5 per cent salary increases approved for Professional and higher categories with effect from 1 July 1990.

2/ Official Records of the General Assembly, Forty-first Session, Supplement No. 7 (A/41/7 and Add.1-11), document A/41/Add.11.

ANNEX

Draft resolution

Salary and retirement allowance of the Secretary-General and salary and pensionable remuneration of the Director-General for Development and International Economic Co-operation and the Administrator of the United Nations Development Programme

The General Assembly,

Having considered the report of the Advisory Committee on Administrative and Budgetary Questions, a/

1. Concurs with the recommendations of the Advisory Committee on Administrative and Budgetary Questions concerning the salary and retirement allowance of the Secretary-General contained in paragraphs 5 and 6 of its report and the procedure for adjusting the retirement allowance and payments to surviving spouses as contained in paragraph 7 of its report;

2. Also concurs with the recommendation of the Advisory Committee on Administrative and Budgetary Questions concerning the salary and pensionable remuneration of the Director-General for Development and International Economic Co-operation and the Administrator of the United Nations Development Programme, contained in paragraphs 3 and 4 of its report;

3. Approves the amendment to annex I to the Staff Regulations of the United Nations with effect from 1 January 1991, as set forth in the annex to the present resolution.

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a/ A/45/7/Add.12.

ANNEX

Amendment to annex I to the Staff Regulations of the United Nations

In paragraph 1, the salary figure for the Administrator of the United Nations Development Programme and the Director-General for Development and International Economic Co-operation shall read $US 151,233.

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Agenda item 118

PROGRAMME BUDGET FOR THE BIENNIUM 1990-1991

Conditions of service and compensation for officials other than Secretariat officials

Full-time members of the International Civil Service Commission and the Chairman of the Advisory Committee on Administrative and Budgetary Questions

Fourteenth report of the Advisory Committee on Administrative and Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Secretary-General on conditions of service and compensation for the full-time members of the International Civil Service Commission (ICSC) and the Chairman of the Advisory Committee on Administrative and Budgetary Questions (A/C.5/45/21). The report has been submitted pursuant to General Assembly resolution 40/256 of 18 December 1985. In the paragraphs below, the Advisory Committee submits its observations and recommendations on the proposals made by the Secretary-General with regard to the Chairman and Vice-Chairman of ICSC. As regards the Chairman of the Advisory Committee, the Secretary-General indicates, in paragraph 5 of his report, that the level of compensation has been the same as that of the Chairman of ICSC since 1978. The General Assembly may therefore wish to consider those proposals of the Secretary-General which relate to the Chairman of the Advisory Committee in the light of decisions the Assembly would take on the Advisory Committee's recommendations for the Chairman of ICSC.

2. For the reasons given by the Secretary-General in paragraphs 33 and 34 of his report, the Advisory Committee concurs in the proposal made in paragraph 35 of the report to adjust the compensation of the Chairman and Vice-Chairman of ICSC upward by 5 per cent. Similarly, the Advisory Committee recommends acceptance of the

Secretary-General's proposal to increase the special allowance of the Chairman of ICSC from $5,000 to $8,000; as indicated by the Secretary-General in paragraph 39 of his report, this allowance has remained fixed since 1975.

3. In paragraphs 42 to 44 of his report, the Secretary-General recalls previous recommendations with regard to the payment of installation grant provisions (this would not apply to present incumbents) and compensation to survivors in the event of death during service. As indicated by the Secretary-General, the Advisory Committee had agreed with both of these recommendations when they were initially made. 1/ Since the Assembly did not take any action on them at its fortieth session, the Secretary-General is re-submitting them and the Advisory Committee maintains its previous position on both.

4. In paragraph 47 of his report, the Secretary-General suggests that the amount of reimbursement for costs of education be increased in line with General Assembly resolution 43/226 of 21 December 1988 and subject to the same ceiling, together with application of provisions regarding disabled children. The Secretary-General also suggests that provision continue to be made for one related trip per year from the place of scholastic attendance when outside the country of the duty station. In paragraph 48 of his report, the Secretary-General proposes that any increases decided by the General Assembly in the level of the education grant or changes in the provisions regarding disabled children should be extended to the officials concerned. The Advisory Committee concurs with the foregoing recommendations of the Secretary-General, as well as with his recommendation, expressed in paragraph 49, that the rental subsidy provisions proposed for Assistant Secretary-Generals and Under-Secretary-Generals be applied if these are endorsed by the General Assembly at its current session.

5. In paragraph 40 of his report, the Secretary-General indicates his belief that the amount of pensionable remuneration should remain unchanged at $120,000. The Advisory Committee recalls that this level was first introduced with effect from 1 January 1983. According to information received by the Committee, the movement in the Consumer Price Index from 1 January 1983 to 1 October 1990 was 44.8 per cent; application of this inflation factor would result in an adjustment of the initial level of $120,000 to $173,760. Consequently, the Advisory Committee believes that it would not be unreasonable to increase the level of pensionable remuneration of the Chairman of ICSC to $140,000 and the Vice-Chairman to $130,000.

Notes

1/ Official Records of the General Assembly, Thirty-ninth Session, Supplement No. 7 (A/39/7 and Add.1-16), document A/39/7/Add.1.